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**Before the**
**FEDERAL COMMUNICATIONS COMMISSION**
**Washington, D.C. 20554**



In the Matter of

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| Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996 | ) | CC Docket No. 98-146 |

# COMMENTS OF MEDIAONE GROUP, INC.

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## COMMENTS OF MEDIAONE GROUP, INC.

MediaOne Group, Inc. ("MediaOne") submits these comments in response to the Commission's Notice of Inquiry ("Notice") on broadband services development.[1/] MediaOne is the parent company of one of the largest cable television multiple system operators in the United States.[2/] MediaOne is a leader in bringing broadband communications – including voice, video, and data services – to all segments of the residential market.

## I. INTRODUCTION AND SUMMARY

By the end of 1999, MediaOne's cable modem service passed approximately 5.3 million of the 8.6 million homes in its service area. At the end of this year, MediaOne projects that it will offer cable modem service to 75 percent of the homes passed in its service area. In doing so, MediaOne continues to fulfill the congressional objective of making a full range of broadband services available to all consumers on a "reasonable and timely basis."

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1/ Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, CC Docket No. 98-146, FCC No. 00-57 (rel. Feb. 18, 1998) ("Notice").

2/ MediaOne expects to complete a merger with AT&T Corp. in the second quarter of 2000.

MediaOne is fully committed to providing broadband services to consumers in its service area without regard to race, ethnicity or income. MediaOne is aggressively deploying cable modem broadband service to a diverse base of residential customers, including customers in urban and rural areas that have low incomes or ethnically diverse populations. Moreover, MediaOne continues to make a significant commitment to provide schools, libraries and health care facilities with high-speed connections and assistance.

MediaOne subsidiaries provide residential cable modem service and facilities-based competitive local telecommunications service in Atlanta, Georgia; Los Angeles, California; Pompano Beach and Jacksonville, Florida; Southern New Hampshire; many communities surrounding Boston, Massachusetts; and communities in and around Detroit, Michigan; Richmond, Virginia; and St. Paul, Minnesota. MediaOne also offers cable modem service to residential customers in Naples, Florida; Fresno, California; several communities in Western Massachusetts; and communities near Cleveland, Ohio. MediaOne plans to reach additional communities for both its local telephony and cable modem services in the near future.

The efforts of MediaOne are supplemented by other cable-affiliated and independent companies eager to make a mark in the market for broadband services. MediaOne and other cable providers have been the primary catalyst for this widespread activity in the broadband arena, stimulating would-be competitors, most notably the incumbent local exchange carriers ("ILECs"), to enter the broadband market.[3/] As a result, American consumers have many more options, at lower prices, than were available only a year ago.

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[3/] Goldman Sachs Investment Research, The Race to Build the Broadband Kingdom 9 (Aug. 12, 1999).

For example, in many MediaOne markets,[4/] MediaOne's cable modem deployment efforts have unleashed a wave of competitive broadband service offerings by ILECs and other providers of local telephone and online services. This competitive response was particularly striking after the AT&T/MediaOne merger was announced. In all or part of every major MediaOne market in which it is currently offering cable modem service, MediaOne's cable modem service currently competes with at least one, and often multiple, similarly-priced broadband offerings from ILECs, competitive local exchange carriers ("CLECs"), and, increasingly, from satellite providers such as Hughes (DirecPC).

In the FCC's first report on the availability of broadband services, issued just over a year ago, in January 1999, the Commission concluded that the deployment of such services to residential customers generally appeared reasonable and timely.[5/] In particular, the FCC found that many companies throughout all segments of the communications industry had invested billions of dollars to develop new infrastructure and upgrade existing facilities to provide American consumers with a variety of broadband alternatives in the "last mile" to their homes.[6/] As a result, broadband capabilities were being deployed at a rate that far outpaced the rollout of previous products and services in the communications field.[7/]

In the year since the issuance of the FCC's first report in this docket, a wide array of companies have continued to invest in broadband technologies and deploy broadband services to residential consumers, at an unprecedented rate. The evidence of this continued deployment is ubiquitous. On an almost daily basis, company press releases, industry analyst reports, and news

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[4/] Such markets include, but are not limited to, Los Angeles, California; Atlanta, Georgia; Richmond, Virginia; and St. Paul, Minnesota.

[5/] Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, Report, 14 FCC Rcd 2398, 2402, 2405, 2446-48. (1999) ("First Report and Order").

[6/] Id. at 2414.

articles provide further proof that the deployment of broadband services will happen significantly faster than most interested observers had expected.

It is also increasingly clear that no single industry dominates, or will soon dominate, the market for broadband services. As Chairman Kennard correctly recognized, the cable companies' role in pushing the local telephone monopolies to accelerate deployment of DSL has "jumpstart[ed] broadband deployment in this country."[8/] If the rate of broadband deployment continues at its present – or an even faster – pace, which is highly likely, a large majority of Americans will have many broadband alternatives in the "last mile" to their homes available within the next several years.

The level of broadband investment, deployment, and competition unleashed since the release of the Commission's first report in this docket underscores the wisdom of the Commission's present policy of regulatory restraint regarding cable broadband services.[9/] Nothing that has taken place during the past year warrants any change in this policy.

## II. MEDIAONE IS DEPLOYING BROADBAND SERVICES TO ITS CUSTOMERS IN A TIMELY AND COMPREHENSIVE FASHION

In its Notice, the Commission seeks comment on the availability of broadband services to all Americans. The Commission expressed concern that "Americans living in rural areas and inner cities might not have access to advanced services that are comparable to services available to people living in other areas."[10/] MediaOne details below its substantial efforts both to deploy services for these communities and to provide assistance to these consumers so that they can better understand and use MediaOne's cable modem service to its full potential. MediaOne also demonstrates its

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7/ Id. at 2447.

8/ See infra n. 25.

9/ First Report and Order, 14 FCC Rcd at 2449.

10/ Notice ¶ 3.

significant efforts to deploy its services to schools and libraries in general, which can also serve the target consumers of concern to the FCC.

### A. MEDIAONE HAS A HIGHLY INCLUSIVE DEPLOYMENT STRATEGY

MediaOne offers its customers access to the Internet using a cable modem that can download information from the Internet at speeds of up to 1.5 megabits per second ("Mbps"), which is more than 50 times faster than the peak transmission speed of a 28.8 kilobits per second ("kbps") dial-up modem. The cable modem service MediaOne offers, branded "MediaOne Road Runner,"[11/] is a digital, interactive offering that, for a monthly fee of generally $39.95 per month, provides residential customers with interactive content and a package of local and national programming, broadband connectivity between a cable operator and a subscriber, access to the Internet, menus, navigational aids, electronic mail, access to newsgroups, a web browser, hosting, and other enhancements.

MediaOne has one of the highest cable modem service penetration rates in the cable industry. MediaOne first offered high-speed cable modem service to its residential customers in several Massachusetts communities over three years ago, in September 1996. By the end of 1998, MediaOne had made its cable modem services available to approximately 3.5 million homes in its service area. By the end of 1999, MediaOne provided approximately 220,000 residential customers with cable modem service in hundreds of communities.

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11/ The Road Runner joint venture is operated by ServiceCo LLC ("Service Co"), which is owned by MediaOne, Time Warner, Inc. and its affiliates ("TWI"), Time Warner Entertainment-Cable ("TWE-Cable"), the Time Warner Entertainment-Advance/Newhouse Partnership ("TWE-A/N"), Compaq, and Microsoft. Compaq and Microsoft each hold a 10 percent interest in ServiceCo. The remaining 80 percent interest of ServiceCo is owned by MediaOne, TWI, TWE-Cable, and TWE-A/N through Cable HoldCo, a limited liability corporation. The ownership of Cable HoldCo is as follows: MediaOne has a 31.38 percent interest, TWI has a 10.70 percent interest, TWE-Cable has a 24.99 percent interest and TWE-A/N has a 32.93 percent interest. MediaOne's interest in ServiceCo (including proportionate share of interests held by TWE and TWE-A/N) is 34.67 percent.

Through year-end 1999, MediaOne has made its cable modem service available to approximately 5.3 million homes passed in ten states, including more than 42 communities in California; 121 communities in Massachusetts; 44 communities in New Hampshire; 30 communities in Georgia; 26 communities in Florida; 41 communities in Minnesota; 19 communities in Michigan; and several communities in Ohio, Illinois, and Virginia. By the end of 2000, MediaOne projects that it will offer its cable modem service to roughly 75 percent of the households in its service area.

MediaOne's cable modem service growth demonstrates that the congressional objective of making a full range of broadband services available to consumers on a "reasonable and timely" basis can and will be achieved without regulatory intervention. MediaOne's dynamic expansion is the product of six years of implementing an aggressive upgrade strategy designed to provide its customers with state-of-the-art, two-way cable, broadband, and telephony services. MediaOne's network upgrade strategy includes 750 MHz hybrid fiber/coaxial cable ("HFC"), two-way amplifiers, power passing taps, and advanced headend, distribution hub and node electronics for new services. So configured, the network can handle not only enhanced analog video (electronic program guide, pay-per-view, music, expanded channel offering) but also high-speed cable modem service, telephony, enhanced digital video (video on demand, web surfing), standard definition television, and high definition television.

To date, MediaOne has made total capital investments of $6.4 billion, the significant portion of which has been used to upgrade and rebuild its broadband infrastructure.[12/] This is a substantial commitment that has grown and will continue to grow until MediaOne's upgrade strategy has been realized.

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[12/] This $6.4 billion includes investment not specifically included in MediaOne's Social Contract.

## B. MEDIAONE IS BRIDGING THE DIGITAL DIVIDE THROUGH UBIQUITOUS BROADBAND DEPLOYMENT AND COMMUNITY-BASED PROGRAMS TO STIMULATE BROADBAND USE

MediaOne is committed to serving consumers throughout its service area – African American, White, Hispanic, Asian American, and Native American, from the inner city to the suburbs and rural areas. MediaOne is aggressively offering cable modem service to its diverse base of residential customers, which includes many customers in urban and rural areas that have low incomes. There is no dual standard of service for affluent neighborhoods as compared with disadvantaged neighborhoods in any of MediaOne's markets. MediaOne also recognizes that eliminating the so-called "Digital Divide" between the information-rich and the information-poor involves more than simple broadband connectivity. It has actively pursued projects to help less-advantaged communities better understand and use the broadband services made available by MediaOne to their full potential.

### 1. MediaOne's Broadband Service is Available To All Racial, Geographic and Economic Segments of the Communities In Which It Operates

**Los Angeles** – MediaOne intends to complete its deployment of cable modem service to the entire Los Angeles service area by year-end 2000. In MediaOne's Los Angeles service area 62% of Hispanic households and 51% of African American households are capable of receiving cable modem services today. These communities include Compton, Carson, Inglewood, and Lynwood – all communities with very significant minority populations.[13/]

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[13/] Compton is 52% African American and 45% Hispanic origin; Carson is 53% African American and 28% Hispanic origin; Inglewood is 53% African American and 43% Hispanic origin; Lynwood is 19% African American and 85% Hispanic origin; and Watts (where approximately 40% of the community is capable of receiving cable modem service) is 61% African American and 39% of Hispanic origin. (Numbers may exceed 100% where persons identify themselves as part of more than one demographic group).

**Richmond, Virginia** – Every household in the Richmond, Virginia market, regardless of race, income, or any other factor, will have cable modem service available to it by September 2000. This is only 15 months after MediaOne began offering high-speed cable modem services in this market. Today, African-American households in Richmond are nearly three times more likely than non-African-American households to have access to cable modem service. In fact, two of metropolitan Richmond's highest income areas in Western Henrico County that have very low percentages of African American residents are among the very last areas scheduled to receive cable modem service in MediaOne's entire service territory.

**Atlanta, Georgia** – MediaOne has nearly finished its rollout of cable modem service to the city of Atlanta, Georgia. In the areas where MediaOne is offering both high-speed cable modem service and local telephone service the African-American population is 52 percent. Several zip codes in the city where MediaOne provides both services are over 90 percent African-American. A majority of Atlanta residents have access to cable modem service well before the residents of several predominantly white suburbs of Atlanta, also served by MediaOne, including Alpharetta, Acworth, Douglasville, and Tyrone (all with over 90 percent white populations).

**Florida** – MediaOne has made a significant effort to provide cable modem services to a diverse population in Florida. Jacksonville was among the first areas to receive cable modem service from MediaOne in Florida. Jacksonville is another market whereby the most diverse areas have cable modem services available to them before less diverse communities in the outlying suburbs.[14/] MediaOne also provides cable modem service in the metropolitan Miami area of southern Florida where 62 percent of the population is of Hispanic origin.

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[14/] MediaOne serves both the city and county in Jacksonville, Florida, where African Americans make up close to 30 percent of the population. Much like Atlanta, MediaOne offers cable modem service as well as competitive local telephone service to area where the population is as high as 98 percent African

**Boston, Massachusetts Metropolitan Area** – The Boston Massachusetts metropolitan area is one of MediaOne's largest markets, and the site of some of MediaOne's earliest investments in high-speed cable modem service capability. As a result, Massachusetts has one of the highest penetrations of cable modem service in the country. By the end of this year, MediaOne intends to offer cable modem service to 94 percent of its homes passed in Massachusetts, treating both the inner cities and the affluent suburbs alike. MediaOne offers cable modem service in many ethnically diverse communities such as Lawrence, Massachusetts (where over 50 percent of the population is of Hispanic origin).

**Rural Communities in Southern New Hampshire** – MediaOne's service area includes only a handful of rural communities, the overwhelming majority of which are part of MediaOne's southern New Hampshire systems. While deployment of cable modem service in these communities requires more time and money due to geographic and technical concerns, MediaOne views these rural customers as essential parts of its customer base. MediaOne is committed to delivering cable modem service to these communities on a reasonable and timely basis.

For example, MediaOne has deployed cable modem service in 44 of the 61 New Hampshire communities it serves, including dozens of small low-density communities such as Antrim (total population 2,360), Auburn (4,085), Candia (3,557), Fremont (2,576), Greenland (2,768), Henniker (4,151), Rollinsford (2,744) and Sandown (4,060). MediaOne's cable modem service deployment in these smaller communities has closely tracked its deployment of high-speed cable modem service to New Hampshire schools and libraries in MediaOne's service region.

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American. MediaOne also is franchised to serve outlying areas of Jacksonville, including Callahan and MacClenny, where the population is predominantly white. These communities do not yet have cable modem service available to them.

### 2. MediaOne Has Developed Many Special Initiatives to Encourage Broadband Literacy And Use

MediaOne recognizes that cable modem service availability is only one step toward realizing the goal of a successful broadband deployment plan. It has therefore launched a number of broad community-based projects to help narrow the gap. One way MediaOne is addressing the digital divide issue is with the "Broadband Stories: Communities in Focus" interactive learning program. This program is designed to promote the positive role that technology plays in the lives of young people while celebrating the richness and diversity of Los Angeles communities served by MediaOne. Through "Broadband Stories," MediaOne is working to make broadband technology both accessible and relevant to local communities.

The program was officially launched in South Central Los Angeles in December 1999 as an innovative public-private partnership with the Challengers Boys & Girls Club and a unique youth mentoring program called the Venice Dream Team. At the event, MediaOne donated free high speed Internet service to the Boys & Girls Club, and announced the creation of an online 'story-sharing' site called www.streetseen.net. Streetseen.net is a comprehensive gateway to news, events and information created exclusively by kids, for kids. Students from across the Los Angeles area contribute content, including articles and photos, guide site design and make key editorial decisions.

Community leaders, elected officials and educators also serve in an advisory capacity to ensure that streetseen.net is an accurate and positive reflection of the community. As part of this effort, MediaOne also convened a local Digital Divide Summit, bringing together the student editorial and adult advisory boards of streetseen.net, along with other Los Angeles community leaders, educators, policymakers and MediaOne employees. The summit provided a community forum to discuss barriers to technology access and explore ways in which companies like MediaOne can continue working to help bridge the digital divide.

By partnering closely with the community on many levels, MediaOne's "Broadband Stories" program is creating opportunities for a wide cross-section of citizens in our Los Angeles market to meaningfully integrate the latest technology into their lives. Streetseen.net is allowing young people to increase their computer literacy skills, gain hands-on experience in online publishing and share their community success stories across Los Angeles and throughout the world wide web.[15/]

In New England, MediaOne has partnered with 29 Boys and Girls Clubs with the goal of providing broadband technology to young people who might not otherwise have computer and Internet access, and to do so in a structured, yet fun after-school learning environment where children could explore educational resources, complete homework assignments, or do college or career research. To date, MediaOne has donated more than $230,000 and considerable hardware, software and technical support to help set up or improve computer technology centers at the Boys & Girls community facilities. MediaOne's donation included: cable modem service; staff training on the service; Internet software installation; a personal Web page and e-mail account; online and telephone technical support seven days a week; basic cable television access; and a "Media Literacy Tool Kit."[16/] As a result of this program, more than 5,000 children have taken advantage of these services and MediaOne has helped the Boys & Girls Clubs of New England achieve their mission "to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens."[17/]

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[15/] See Exhibit A, "MediaOne Host Leads Community-wide Discussion to Explore Ways to Bridge the Digital Divide."

[16/] The Media Literacy Tool Kit contains helpful materials including, Cable Connections Magazine; Wise to the Web Training Manual; Taking Charge of Your TV workbook, and three videos: Tools to Help You Choose, TV Smarts for Kids, and Taking Charge of Your TV.

[17/] < http://boysandgirlsclub.org/html/missionindex.html> (visited March 20, 2000).

## C. MEDIAONE IS ALSO COMMITTED TO PROVIDING BROADBAND SERVICE TO SCHOOLS, LIBRARIES, AND HEALTH CARE FACILITIES IN ITS SERVICE AREA

In addition to its efforts to reach specifically inner city and rural geographic communities that could benefit from access to broadband and associated services, MediaOne has also continued to make a significant commitment to provide schools, libraries, and health care facilities with high-speed cable modem service and associated training.

### 1. Schools and Libraries

To date, MediaOne has connected more than 1,000 schools and libraries in its service areas to free learning resources through cable and high-speed Internet service. Through its "School Connections" program, MediaOne provides these schools with installation and unlimited access to the Internet; cable modem equipment; multimedia tool kits; training and technical support, and, in some cases, new fully interactive computers, all without charge. MediaOne also provides grants for technology/education programs.

MediaOne has connected 575 schools and 64 libraries in Massachusetts and New Hampshire,[18/] 106 schools and libraries in the Midwest (Michigan, Ohio and Minnesota), over 248 schools in Florida, and 90 schools in Illinois. In 1999, MediaOne connected an average of 27 schools per month in Massachusetts and New Hampshire alone. In California, MediaOne has offered its cable modem service to over 430 schools and libraries.

MediaOne's success is directly linked to its School Connections team. This team established a streamlined, institution-friendly process that clearly defines each step, from service request to post-installation technical support, in order increase the number of schools MediaOne can reach. U.S. Representative Martin T. Meehan, who helped MediaOne celebrate the 500th free connection at

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[18/] In comparison, MediaOne had connected approximately 100 schools in Massachusetts through May of 1998.

Rollins Elementary School in Lawrence, Massachusetts, has recently recognized MediaOne's contribution in the field of education.[19/] At this event, the principal of Rollins Elementary, Sharon Sullivan, noted that MediaOne's cable modem service is "the first step to opening a whole new world of knowledge to our school community. Students and teachers can communicate with peers to develop projects, partnerships and friendships all over the world. This broadband technology will change the way we live and learn in the 21st century."[20/]

MediaOne also continues to fund and support an educational program it calls "Community Outreach & Online Learning" ("COOL"). Through the COOL program, which was first initiated in 1998, MediaOne teams up with specially trained interns from local universities throughout the country to schedule training sessions at schools and public libraries in the communities it serves. This past year, MediaOne's COOL program has developed and distributed an informational handbook entitled "Wise to the Web, An Internet Guide for Educators, Parents and Students." This guide, is a dynamic resource that provides historical and practical information about the Internet, including tools to better understand and use Internet technology and additional Internet resources.[21/] This past school year, more than 675 MediaOne employees (who serve as MediaOne-sponsored volunteers in local schools) have distributed "Wise to Web" to schools across the country. Providing these services is part of MediaOne's continuing commitment to the towns they serve.

### 2. Health Care Facilities

In addition to its commitment to education, MediaOne is also committed to making major infrastructure investments to facilitate the introduction of telemedicine in its region. Specialized telecommunications services are required in order to meet demanding medical standards.

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[19/] See Exhibit B.

[20/] Id.

MediaOne has undertaken several health-related efforts in the past year. The following three projects are examples of these efforts.

First, a MediaOne affiliate, MediaOne Business Internet Services NMG, is using broadband technology to help over 50 doctors in the radiology department of the Mayo Clinic gain fast, reliable access to patient x-rays at home. In support of this program, the Mayo Clinic is connected to MediaOne's network through a dedicated fiber line. In turn, each participating doctor is provided with a verified connection to the network through a static IP address. All medical images are encrypted before they are delivered outside the network. Upon receipt of these images, software previously loaded on the doctors' home computer deciphers the encryption and unveils the images. Through this important program, many of the Clinic's doctors can make critical, and in some cases life-saving, medical decisions rapidly because they no longer need to drive to the Clinic from home to examine x-rays. Currently plans are for the program to expand beyond the radiology department to include all physicians at the Clinic.

Second, MediaOne continues to provide telemedicine solutions to the Exeter Hospital system in Exeter, New Hampshire, a rural community. MediaOne's cable modem service, used in conjunction with Virtual Private Networking technology, has enabled 10 rural medical offices and clinics to connect to a single hospital so that they may share encrypted patient records and account information.

This past year, MediaOne also participated in a National Institutes of Health–funded study with Newton-Wellesley Hospital Home Care services. In this study, a number of care providers used MediaOne's cable modem service connections to provide computer-based monitoring and patient

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[21/] A copy of "Wise to Web" is available at www.mediaonegroup.com/cool/index.html.

interaction to approximately a dozen chronically ill patients (those with diabetes or high blood pressure) in their homes.

## III. OVERALL NATIONAL DEPLOYMENT OF BROADBAND SERVICE CONTINUES TO BE REASONABLE AND TIMELY

Last year's First Report and Order concluded that deployment of broadband services appeared to be "reasonable and timely" -- although the Commission stated that it was difficult to reach a firm judgment given the early stage of broadband deployment.[22/] In light of these findings, the Commission has repeatedly recognized that it is competition, not regulation, that should be relied upon to protect consumers and the public interest.[23/] In the months since the First Report and Order was released, competition in the broadband services market has dramatically increased. As detailed below, the communications industry continues to demonstrate that a vibrant marketplace driven by competition and innovation is the best way to encourage and promote the proliferation of multiple broadband pathways to the home.

MediaOne's groundbreaking efforts to deploy broadly its cable modem service, while significant, are no longer unique. As the Commission itself has recognized on several occasions, the broadband services marketplace is vigorously competitive. Today, competition among numerous strong broadband providers is active and accelerating rapidly. MediaOne and other cable operators have been the catalyst for pushing local telephone companies and other would-be competitors to

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[22/] Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, Notice of Inquiry, 13 FCC Rcd 15280 (1998); First Report and Order, 14 FCC Rcd at 2402.

[23/] For example, Chairman Kennard remarks on June 15, 1999, at the National Cable Television Association acknowledged the success of corporate efforts to deploy advanced services: "We decided to let the market forces churn while we carefully monitor the situation, and the marketplace has responded." Similarly, Deborah A. Lathen, Chief of the FCC's Cable Services Bureau, stressed in an August 25, 1999 letter to the Editor of the New York Times that "[t]he best way to meet consumer demand for high-speed Internet access is to encourage competition in an open market. . . . A decision to regulate at this early

accelerate their own deployment of broadband services. In its recent report, Broadband Today, the Cable Services Bureau found:

> The ILECs' aggressive deployment of DSL can be attributed in large part to the deployment of cable modem service. Although the ILECs have possessed DSL technology since the late 1980s, they did not offer the service, for concern that it would negatively impact their other lines of business. The deployment of cable modem service, however, spurred the ILECs to offer DSL or risk losing potential subscribers to cable. In various communities where cable modem service becomes available, the ILECs would soon deploy DSL service that was comparable in price and performance to the cable modem offering. Thus, prior to cable modem deployment, the ILECs had little incentive to deploy DSL and the consumer had no choice for high-speed Internet access.[24]

Similarly, Chairman Kennard has noted that cable modem deployment is directly responsible for ILECs' recent decision to deploy aggressively DSL service. For example, in a speech before the National Association of Telecommunications Officers and Advisors on September 17, 1999, he noted that:

> [b]etween the end of March and the end of June of this year, the number of DSL lines doubled to nearly 200,000 and it is expected to double again by the end of the year. And this pickup in growth is a function of one thing: competition. The regional Bell companies know that for the first time in the history of this country they are facing a serious, facilities-based competitor in their backyard: the residential marketplace. And that is the cable television industry. And it is the prospect of that competition that is going to really jumpstart broadband deployment in this country.[25/]

In fact, there is significant evidence demonstrating that the deployment for broadband services is happening significantly faster than most people, including Chairman Kennard, have

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stage not only would be short-sighted, but would also be likely to inhibit the investment and deployment of the next generation of advanced communications technologies."

[24/] Deborah A. Lathen, Federal Communications Commission, Broadband Today 27 (Oct. 1999) (footnotes omitted); see also id. at 32 ("There was little disagreement among the panelists that cable investment inherently spurs investment in DSL and vice versa.").

[25/] See <http://www.fcc.gov/Speeches/Kennard/Spwek931.html>; see also <http://www.fcc.gov/Speeches/Kennard/spwek924.html> (offering further examples of the causal link between cable modem

expected. At the end of 1999, United States cable operators made cable modem service available to almost 40 million homes[26/] and provided just over 1.3 million customers with high-speed cable modem services.[27/] In comparison, the number of ILEC DSL subscribers in the nation grew from 25,000 at the end of 1998[28] to over 400,000 subscribers by year-end 1999.[29/] Reports indicated that the BOCs and GTE had together reached over 50 million DSL-capable lines by the end of 1999,[30/] more than twice as many as previously predicted. The large majority of these deployments have been focused on residential consumers.[31/] Meanwhile, ALTS recently reported that data CLECs provided DSL services to over 100,000 subscribers at year-end 1999.[32/]

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service and DSL rollout in a speech before the Northern California Chapter of the Federal Communications Bar on July 20, 1999).

[26/] See "Cable Modem Customer Count Tops 2 Million," Cable Datacom News at 1 (March 1, 2000) (identifying total U.S. and Canada cable modem availability at 43 million homes)

[27/] See id. (totalling U.S. company cable modem subscribership).

[28/] First Report and Order ¶ 58.

[29/] See Attached Appendix.

[30/] See id.

[31/] See "Fire Behind the Smoke: ILEC DSL Rollouts," The Yankee Group, Dec. 1999.

[32/] See "The State of Competition in the U.S. Local Telecommunications Marketplace," Annual Report of the Association for Local Telecommunications Services ("ALTS Annual Report") (Feb. 2000) at Graphic M.

The chart below illustrates current and projected broadband subscribership levels among ILECs (DSL), CLECs (DSL), and cable operators (cable modems).

| **Broadband Subscribers Projections** | | |
|---|---|---|
| | ***Year-End 1999*** | ***Year-End 2000***[33/] |
| DSL - ILECs | 400,000[34] | 2,150,000 |
| DSL -CLECs | 100,000[35] | 512,000 |
| Cable Modems - Cable | 1,330,00[36] | 2,253,796 |
| **Total** | **1,830,000** | **4,915,796** |

As the chart demonstrates, there is no clear winner in the race to bring broadband services to residential consumers throughout the United States. Some industry observers now predict that DSL subscribership will overtake cable modem subscribership as early as next year.[37/]

While DSL and cable modem technologies have emerged as the two prevalent means of accessing broadband services today, competitive broadband entry, is not limited to DSL and cable modem providers. DirecPC and Echostar currently offer 400 kbps downstream Internet access service. Satellite technology is expected emerge as a significant "last mile" path for broadband services within the next five years. One industry analyst, the Yankee Group, projects that by 2004 about 3.9 million homes will be receiving high speed services via satellite.[38/]

The promise of satellite technology as a viable broadband vehicle has attracted dozens of companies, including Teledesic, Motorola, Lockheed Martin, Alcatel Espace, and Loral, and billions

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33/ Recognizing Growth – One Way or the Other," Merrill Lynch at 15, February 17, 2000 (Source: Company reports and announcements).

34/ See Attached Appendix.

35/ Id.

36/ See supra n. 26.

37/ See, e.g., Corey Grice, DSL Could Pull Ahead in High-Speed Race (March 1, 2000) <http://news.cnet.com> (citing Cahners In-Stat Group); see also Morgan Stanley Dean Witter, The Internet Data Services Report at 18 (August 11, 1999) <http://www.msdw.com/techresearch/inetdata/index.html>.

of dollars in investment capital. For example, Microsoft, EchoStar, and Israeli satellite company Gilat have joined forces to provide two-way satellite service. This joint project will be the first consumer system that allows users to send and receive by satellite, and will offer faster service than conventional satellite data services.[39/]

These developments are a resounding endorsement of the Commission's "vigilance but not intrusion" regulatory policy concerning broadband deployment. The market has responded to the FCC's policy with an ever-growing number of competitive options for residential advanced services. As a result, MediaOne is subject to competition from other broadband providers in all, or a portion, of every major market it is currently offering cable modem service.

For example, BellSouth offers DSL services in competition with MediaOne in significant parts of Florida and Georgia. Bell Atlantic competes directly for broadband subscribers with MediaOne's systems in Richmond, Virginia, and large portions of Massachusetts.[40/] U S WEST is aggressively promoting its DSL services in competition with MediaOne in the St. Paul, Minnesota metropolitan market. Pacific Bell and GTE compete head-to-head with MediaOne for broadband customers in many communities MediaOne serves in the Greater Los Angeles area.

In many MediaOne communities, consumers can choose among three or more competitively-priced offerings. For example, in the Greater Los Angeles area MediaOne communities, consumers can choose from among no fewer than six other competitively-priced (between $32.50 and $49.95) broadband offerings providing download speeds of up to 768 kbps.[41/] Similarly, in the Boston metropolitan area, residential consumers may have as many eight alternatives (providing downloads

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38/ "Two-way Net Satellite in the Works," USA Today, Feb. 24, 2000.

39/ See, e.g., "Three Companies Offer Two-Way Satellite Service," Detroit News at 2 (Mar. 12, 2000).

40/ Bell Atlantic officials report that they have added a DSL technology to serve approximately 1.9 million of the 4.5 million phone lines in Massachusetts (roughly 40 percent). Howe, Peter, "Bell Says Over 40% of Phone Lines Wired for DSL," Boston Globe dated March 14, 2000.

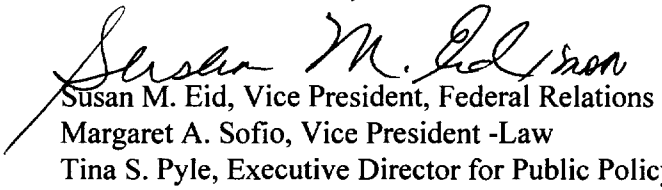
speeds ranging from 384k to 1.5 M) to MediaOne's cable modem services, all priced between $39.95 and $69.00.[42/]

## IV. CONCLUSION

As MediaOne has demonstrated, it and many other cable-affiliated and non-cable companies are investing billions of dollars to create increased residential broadband alternatives, in rural and inner-city neighborhoods, and to schools and libraries, as well as to affluent areas. With market entry and expansion of consumer choice occurring at a swift pace, there is no justification whatsoever for the FCC to reverse the productive course it has set and impose new regulations on cable modem services. To do so could potentially undo the progress that has been made during the past year since the FCC last surveyed the state of national broadband deployment.

Respectfully submitted,

**MEDIAONE GROUP, INC.**



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March 20, 2000

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41/ See Exhibit C.

42/ See Exhibit D.

## APPENDIX
## ILEC and CLEC DSL Subscribership and Deployment Figures

| Company | 1999 (year-end) | 2000 (projected year-end) |
|---|---|---|
| | | |
| **Bell Atlantic** | • 30,000 subscribers[1] (3000-4000 DSL lines installed per week)<br>• Available to 21 million DSL lines (as of 1stQ, 2000)[2] | • 500,000 DSL subscribers[3] (3,000 DSL lines installed per day. 90% of homes expected to receive DSL at 640 Kbps)[3] |
| **Bell South** | • 20,000 subscribers[1]<br>• Available to 6 million DSL lines[4] | • Year-end Subscriber estimate not reported<br>• Nearly 95% of BellSouth customers will be within 12,000 feet[3] |
| **SBC** | • 169,000 subscribers[1]<br>• Available to 12 million DSL lines[5] | • 1 million DSL subscribers (60% at 6Mbps)[3]<br>• 18 million homes capable of receiving DSL[3] |
| **US WEST** | • 110,000 subscribers[1]<br>• 7 million DSL lines (as of September 1999)[6] | • 250,000 DSL subscribers[7]<br>• DSL lines estimate not reported |
| **GTE** | • 57,000 subscribers[1]<br>• 6.1 million DSL lines[8] | • 200,000 DSL subscribers[9]<br>• 8 million ADSL-qualified lines[9] |
| | | |

[1] "The State of Competition in the U.S. Local Telecommunications Marketplace," Annual Report of the Association for Local Telecommunications Services ("ALTS Annual Report") (February 2000) at page 7, Graphic N.

[2] Bell Atlantic Press Release, "Bell Atlantic Triples Availability of Infospeed DSL Service in Massachusetts" (March 13, 2000).

[3] "RBOC Chiefs Stress Data Growth Potential, Wireless, DSL," Communications Daily (March 10, 2000).

[4] Morris, Edward, "As DSL Rolls Out Across the Land, Prices Begin to Roll Back," Communications News (February 1, 2000).

[5] "SBC Squares Off Against CLECs Over DSL Access," Broadband Networking News (March 14, 2000).

[6] US West Press Release "US West Catapults High-Speed Internet Access to Mass Market with Nation's First 'DSL-on-Demand' at $19.95/mo. For Casual Internet Users" (Sept. 15, 1999).

[7] "Delivering on Promises," Sol Trujillo Speech delivered at the Global Telecommunications CEO Conference (March 9, 2000) at <www.uswest.com/is/deliver_031000.html>

[8] "Access Transport: Value-added Services," GTE's Data Strategy at <www.gte.com/AboutGTE/Investor/index.html>

[9] "GTE Introduces New Self-Install DSL Kit, Paving Way to Triple DSL Subscribers This Year" (March 2, 2000) at <www.gte.com/AboutGTE/NewsCenter/News/Releases/DSLSelfInstall.html>

| Company | 1999 (year-end) | 2000 (projected year-end) |
|---|---|---|
| Other ILECs | • 20,000 subscribers[1]<br>• Not reported | • Not reported<br>• Not reported |
| CLECs | • 105,000 subscribers[10]<br>• Not reported | • 500,000 subscribers[10]<br>• Not reported |

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[10] ALTS Annual Report, graphic M.

# EXHIBIT A

## FOR IMMEDIATE RELEASE

***For more information, contact:***
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# MEDIAONE HOST LEADS COMMUNITY-WIDE DISCUSSION TO EXPLORE WAYS TO BRIDGE THE DIGITAL DIVIDE

## Effort Addresses National Issue Through Community Directed, Youth Oriented Web Site www. streetseen.net

**LOS ANGELES** (February xx) – MediaOne took the issue of "Bridging the Digital Divide" to the heart of the greater Los Angeles community by hosting a summit involving over 90 local students, teachers, community leaders and legislators aimed at discussing how a community can bridge the "digital divide." In support of the group's community efforts, an innovative new online community and story-sharing site dedicated to Southern California youth was unveiled in a virtual "hard hat tour." Celebrities such as former Jackson Five member and MBC Network co-founder Marlon Jackson and actor, Tony Plana (Showtime's *Resurrection Blvd.*), showed their support by participating in the discussion.

The meeting was a coming together of volunteers who serve in youth editorial and adult advisory capacities for the Web site as part of a comprehensive community outreach program initiated by MediaOne named "Broadband Stories: Communities in Focus." The goal of the program is to break down cultural, social and geographic barriers through the power of the Internet and, ultimately, bridge the digital divide.

Students ranging from ages 10 through 18 years-old commented that there still is a lack of access to computers and actual Internet usage amongst their peers. "I've only been able to use the computer at the school library," said Joanna Fraga, a 14-year-old student at Carson High School, and honorary streetseen.net editorial board member. "So I never really have had an opportunity to learn about all the cool stuff on the Internet like email, games and different types of information whenever I want. Streetseen.net is my way of not only getting educated, but helping people my age want to get educated too."

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Many of the advisory board expressed a need for partnerships within the technology and telecommunications industries to lead the charge in ensuring the digital divide is bridged in all areas of the country, regardless of economics. Their recommendations included:

- Increased accessibility to computers in rural and undeserved communities,

- Mandating personal computer training for teachers and students
- Providing low-cost computers so that each American can afford to have one available in the home.

In addition to the advisory and editorial board, almost a dozen Venice Dream Team members who helped to launch the Broadband Stories project in December, along with eight MediaOne Cub Reporters attended the summit.

MediaOne Cub Reporters and Venice Dream Team members will serve as Streetseen.net Street J's, interviewing and filing stories on the site on a wide range of subjects and community leaders. Among those who have agreed to be interviewed for the site are Los Angeles Mayor Richard Riordon, Senator Adam Schiff, Senator Tom Hayden and California Assemblyman Thomas Calderon and California Assemblywoman Sheila Kuehl.

"We hope that this program will be seen as a benchmark in the cable community in how operators can begin to show how broadband can play a vital role in providing Internet access to new markets," explained Teresa Elder, MediaOne Western Region Senior Vice President. "With www.streetseen.net as a starting point for young people who are looking to begin their Internet experience, we hope that it will give children of any economic, geographic or cultural background an opportunity to share 'descriptive news' from their communities online with the world. It's an important place where their voices are heard, recognized and responded to, and that's what we want."

With major cable organizations, such as the National Cable and Television Association (NCTA) and California Cable and Television Association (CCTA), also identifying the market gap in Internet access, MediaOne's "Broadband Stories: Communities in Focus" will be a pilot program in helping youngsters from various communities become more involved in technology.

Broadband Stories: Communities in Focus is part of the ongoing efforts of MediaOne's Western Region to bridge the digital divide that currently exists in many of America's cities. Access to computers and the Internet and the ability to use this technology effectively are becoming increasingly important for full participation in the economic, political and social life of this country. To meet these crucial needs, MediaOne is committed to providing broadband access to kids and their communities, rapidly deploying the latest broadband technology across all the diverse Southern California and Los Angeles area communities it serves. And across the country, 75% of the homes served by MediaOne will have access to high speed Internet service by the end of this year.

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## Digital Divide Statistics

In February 2000, President Bill Clinton announced that his new budget proposal would provide $380 million in funds, in an attempt to "bridge the digital divide" by wiring America's poorer locales to the Net.

A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed the following statistics:

- Better-educated Americans are more likely to be connected to the Internet. Between 1997 and 1998, the technology divide between those at the highest and lowest education levels increased by 25%. In 1998, those with a college degree were eight times more likely to have a computer at home and nearly sixteen times as likely to have home Internet access than those with only an elementary school education.

- The gap between high- and low-income Americans is increasing. In the last year, the divide between those at the highest and lowest income levels grew 29%. Households with incomes of $75,000 or higher are twenty times more likely to have access to the Internet than those at the lowest income levels, and more than nine times as likely to have a computer at home.

- The digital divide is also persistent and growing along racial and ethnic lines. Whites are three-fifths more likely to have access to the Internet from home than African-Americans or Hispanics have from any location. Overall, African-American and Hispanic households are roughly two-fifths as likely to have home Internet access as white households.

## Website Launch Date

**www.streetseen.net** goes live on March 1, 2000 with weekly updates thereafter

## Honorary Editorial Board

An Editorial Board of youngsters age 10 to 18 from across Southern California will provide direction and content for the Web site. The youth editorial board includes:

Luisa Bermudeuz (10), Challengers Boys & Girls Club
Jennifer Gonzales (12), Fochay Learning Center
Miguel Gonzales (12), Fochay Learning Center
Abel Huerta (12), Fochay Learning Center
Frexinet Johnson (12), Fochay Learning Center
Tzvi Kaplan (12), Temple Emanuel Day School
Jennifer Lopez (12), Fochay Learning Center
Dawnesha Parsons (12), Fochay Learning Center
Travis Cole (13), Fochay Learning Center
Nelly Maciel (13), Fochay Learning Center

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Danielle Gardner (13), Fochay Learning Center

Eric Gideon (13), Fochay Learning Center
Luis Valdez (13), Fochay Learning Center
Joanna Fraga (14), Carson High School
Branden Gardner (15), Challengers Boys & Girls Club
Ashlea Adelegan (16), Westchester High School
Anthony Flores (16), Westchester High School
Hector Guerra (16), SEA Venice Charter School
Nicole Macintyre (16), SEA Venice Charter School
Matt Tarnay (16), Westchester High School
Deborah Baum (17), Westchester High School
Irasema Onofre (17), Carson High School
Gesuina Paras (17), Westchester High School
Armando Fernandez (18), Carson High School
Venice Dream Team, TuTu Sweeney

## Honorary Advisory Board

An Advisory Board of legislators, community leaders, educators, parents and MediaOne employees will help guide youngsters in creating this online story sharing site. Advisory Board members include:

Genethia Hayes, Los Angeles Unified School District
Marlon Jackson, MBC Network (formerly of the Jackson Five and founder of MBC Network)
Honorable Xavier Becerra, Congressman 30th District
Elsa Macias, Tomas Rivera Center
Gilbert Martinez, California Cable Television Association
Tony Plana, Actor (Showtime's Resurrection Blvd.)
Richard Verches, Director of Community Affairs, ARCO
Lou Dantzler, Challengers Boys and Girls Club
Mary Covington, Teacher, Westchester High School
Janice Goodman, Instructor, Culver City High School
Nan Wilson, Teacher, Westchester High School
Bingwa Thomas, Venice Dream Team
Karel & Andrew, Talk Show Hosts for KFI-AM 640
Marisela Santana, Culver City Star
Jennifer Thomas, Los Angeles Sentinel
Robert Harrelson, MediaOne
Alice McHugh, Editor, MediaOne Cub Reporters
Perry Parks, MediaOne
Kaye Shelnutt, MediaOne
Cynthia Moore, MediaOne
Dennis Mangers, CCTA
Paul Filidi, CCTA

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## About MediaOne

MediaOne Group (NYSE: UMG) is one of the world's largest Broadband communications companies, bringing the power of Broadband and the Internet to customers in the United States, Europe and Asia. The company also has interests in some of the fastest-growing wireless communications businesses outside the U.S. For 1998, the businesses that comprise MediaOne Group produced $7.1 billion in proportionate revenue. On May 6, 1999, the company entered into an agreement to merge with AT&T.

# # #

# EXHIBIT B

**News Release**

6 Campanelli Drive
Andover, MA 01810

www.mediaone.com
FAX 978 975 7945

MediaOne®
This is Broadband. This is the way.

***Release Date:*** January 13, 2000

**Contact:**
Rick Jenkinson
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(978) 683-5500, ext. 2145

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jkhoury@mediaone.com
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# MediaOne Connects 500th New England School to Free Broadband Internet Services

***U.S. Representative Martin T. Meehan Joins Rollins Elementary School Students in Demonstrating the Power of Online Learning***

***LAWRENCE, MA (January 13, 2000)*** – MediaOne® and U.S. Representative Martin T. Meehan today celebrated MediaOne's 500th free Broadband connection to New England schools at Rollins Elementary School in Lawrence, Massachusetts. Rollins' students will now have access to an unparalleled array of online learning tools and interactive resources through MediaOne's high-speed Internet service, Road Runner.

"Students at the Rollins School now have the ability to research and learn about the world around them online, while still having time in their day for traditional, interpersonal classroom lessons," Congressman Meehan said. "By introducing high-speed Internet service as a tool to support the educational curriculum, MediaOne Road Runner has helped children throughout New England and the United States realize that the world is quite literally at their fingertips."

In addition to a free high-speed Internet connection, MediaOne also marked its 500th school milestone by donating a new, fully interactive computer to Rollins Elementary. During today's reception, students and teachers showcased projects they created using the Internet and other technology-based programs.

"MediaOne is developing and implementing Broadband technology services that can dramatically impact teaching and learning. The interactive technology we are deploying today not only enhances our personal lives, but enriches the educational experience for our children," commented Kevin Casey, senior vice president for MediaOne's Northeast Region.

(more)

MediaOne has made a commitment to education by offering free Broadband Internet service to schools. Upon request, MediaOne will connect public K-12 schools and accredited private elementary and secondary schools wherever MediaOne Road Runner is available. Through the MediaOne School Connections program, these schools receive free:

- installation and unlimited access to the Internet;
- cable modem equipment;
- multimedia tool kit;
- training and technical support.

MediaOne has also extended this same offer to libraries and Boys and Girls Clubs in New England. Currently, 63 libraries and 7 Boys and Girls Clubs in the region are connected at no cost to MediaOne's Road Runner service.

MediaOne Road Runner is one of the fastest Internet connections available to the computer in the home today – up to 50 times faster than a standard dial-up connection. Unlike conventional dial-up services, MediaOne Road Runner provides customers with a continuous, direct link to the Internet through MediaOne's interactive, fiber-optic network. MediaOne Road Runner is available to over 150 communities and more than 1.2 million homes in Massachusetts and New Hampshire – the largest deployment of broadband, cable modem Internet service in the world.

"The Rollins Elementary School is delighted to be the 500th school connected to MediaOne Road Runner high speed Internet service," said Sharman Sullivan, principal of Rollins Elementary School. "This important connection is the first step to opening a whole new world of knowledge to our school community. Students and teachers can communicate with peers to develop projects, partnerships and friendships all over the world. This broadband technology will change the way we live and learn in the 21st century," she added.

According to Stephanne Fiori, MediaOne's manager of educational services: "Having high-speed Internet service in the classroom is, quite simply, changing how education works. The Internet is a unique teaching tool that helps students learn more about classroom topics that hold special interest for them. And it can't be matched by any other information source for keeping up with world events."

Students in towns from Western Massachusetts to New Hampshire and Cape Cod are already benefiting from MediaOne's free high-speed Internet connection.

In Barnstable, a middle school teacher has created a website to teach students about Language Arts. In Bedford, New Hampshire, elementary school teachers are using the Internet as a resource for student research on bats, endangered species and the solar system. These students are using technology components to explore geology, history, map-making, writing and mathematical problem solving related to the Iditarod race and the state of Alaska.

Bedford, NH kindergarten through grade two classroom teachers are integrating the Internet by taking students on virtual "field trips" around the world to explore how consumer products are made, visit other countries and explore various animal habitats.

(more)

MediaOne Group (NYSE: UMG) is one of the world's largest Broadband communications companies, bringing the power of Broadband and the Internet to customers in the United States, Europe and Asia. The company also has interests in some of the fastest-growing wireless communications businesses outside the U.S. For 1998, the businesses that comprise MediaOne Group produced $7.1 billion in proportionate revenue. On May 6, 1999, the company entered into an agreement to merge with AT&T.

# # #

# EXHIBIT C

# EXHIBIT D

# Comparison of Cable Modem and DSL ISPs in the Boston Area

This comparison looks at a sampling of residential providers of high speed Internet access. It does not show start up expenses such as prices for modems or installation.

| Provider | Technology | Down Stream Speed | Up Stream Speed | Price | Note |
|---|---|---|---|---|---|
| MediaOne | Cable Modem | 1.5 Mbps | 300 Kbps | $39.95 | Customer with Video Service |
| RCN | Cable Modem | 1.5 Mbps | 768 Kbps | $39.95 | Customer with Video Service |
| Bell Atlantic - Per | ADSL | 640 Kbps | 90 Kbps | $49.95 | With BA ISP |
| Bell Atlantic - Pro | ADSL | 1.6 Mbps | 90 Kbps | $99.95 | With BA ISP |
| Bell Atlantic - Po | ADSL | 7.1 Mbps | 680 Kbps | $189.95 | With BA ISP |
| COVAD - Telesu | ADSL | 384 Kbps | 128 Kbps | $69.00 | Prices vary based on location and ISP |
| COVAD - Telesu | ADSL | 768 Kbps | 384 Kbps | $99.00 | Prices vary based on location and ISP |
| Concentric | ADSL | 384 Kbps | 128 Kbps | $69.00 | |
| Concentric | ADSL | 768 Kbps | 384 Kbps | $89.00 | |
| Flashcom - Solo | ADSL | 640 Kbps | 90 Kbps | $39.95 | Pricing applicable with 2 yr. Contract |
| Flashcom - Solo | ADSL | 384 Kbps | 128 Kbps | $49.95 | Pricing applicable with 2 yr. Contract |
| Flashcom - Solo | ADSL | 784 Kbps | 384 Kbps | $79.95 | Pricing applicable with 2 yr. Contract |
| Flashcom - Solo | SDSL | 1.56 Mbps | 1.56 Mbps | $289.95 | Pricing applicable with 2 yr. Contract |
| Speakeasy | ADSL | 384 Kbps | 128 Kbps | $59.00 | |
| Speakeasy | ADSL | 768 Kbps | 384 Kbps | $89.00 | |
| Speakeasy | SDSL | 384 Kbps | 384 Kbps | $149.00 | |
| BrainLINK | ADSL | 384 Kbps | 128 Kbps | $59.00 | |
| BrainLINK | ADSL | 768 Kbps | 384 Kbps | $89.00 | |
| 1699 Access | ADSL | 384 Kbps | 128 Kbps | $49.00 | |
| 1699 Access | ADSL | 784 Kbps | 384 Kbps | $87.00 | |
| 3-G Com | SDSL | 144 Kbps | 144 Kbps | $135.00 | |
| 3-G Com | SDSL | 256 Kbps | 256 Kbps | $161.00 | |
| 3-G Com | SDSL | 384 Kbps | 384 Kbps | $229.00 | |

# MediaOne vs. D.S.L.

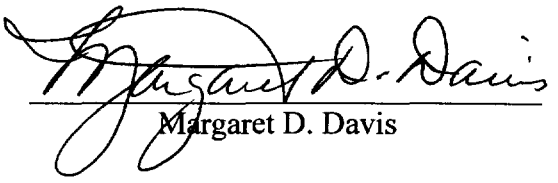
| Feature | MediaOne Road Runner | | | |
|---|---|---|---|---|
| Speed (Download/Upload) | 1500Kbps/300Kbps | 1500Kbps/768Kbps | 1500Kbps (minimum of 384Kbps guarantee*)/128Kbps | 768Kbps/128Kbps |
| Price | $39.95-$49.95/mo. | 1. $215.00<br>2. $32.50/mo. For a speed of up to 768Kbps/up to 128Kbps | $39.95/mo. | $49.95/mo. (Customers must sign a 1 yr contract, and will be charged $125.00 for early termination). |
| Personal Web Space | 10MB | None | 3MB | 6MB |
| E-Mail | 4 e-mail accounts | None | 3 e-mail accounts | 1 e-mail account |
| Content | Yes | None | Yes | Yes |
| Installation Charge | $0-$99 | $60.00 | - $0 for 1 -3 yr contracts.<br>- For month-to-month contracts, a one time fee of $100 is added. | $198.00 |
| Modem Price | $0 | $200 (could be less depending on special promotions). | $198 | Purchased, but included in installation charge. |
| NIC Card | $49 | Purchased, but included in modem price. | Purchased, but included in modem price. | Purchased, but included in installation charge. |
| Internet Service Provider | Yes | None | Yes | Yes |
| Notes: | | Customer must sign a 1yr contract.<br>GTE Network is not an ISP. If the cutomer wants to access the Internet though their DSL line, they need to have a separate ISP. GTE Internetworking (ISP) charges an additional $190 for Internet access, and a $50 set-up fee. | Customer must sign a 1yr contract.<br>A fee of $200 will be assessed for early termination of the contract.<br>* Speed only guaranteed w/in PacBell Network | EarthLink DSL is not the DSL line provider. Customers who subscribe to EarthLink, must have their own DSL line provider (such as GTE or Pacific Bell). |

# MediaOne vs. D.S.L.

| Feature | MediaOne Road Runner | MM Internet DSL | Flashcom DSL | Zyan Communications |
|---|---|---|---|---|
| Speed (Download/Upload) | 1500Kbps/300Kbps | 1500Kbps/768Kbps | 1560Kbps/1560Kbps | 784Kbps/784Kbps |
| Price | $39.95-$49.95/mo. | 1. $279/mo.<br>2. $49.95/mo. For a speed of 768kbps/128kbps | 1. $159.95/mo. For Pacific Bell customers<br>2. $289.95/mo. For GTE customers<br>3. $49.95/mo. For a speed of 384kbps/128kbps (for both GTE and Pacific Bell customers). | 1. $84.95/mo.<br>2. $59.95/mo. For a speed of 384kbps or 416kbps/384kbps or 416kbps. |
| Personal Web Space | 10MB | 10MB | none at this time | 10MB |
| E-Mail | 4 e-mail accounts | 1 e-mail account (add'l e-mail accts. are $2 ea.) | 1 e-mail account | 1 e-mail account |
| Content | Yes | Yes | Yes | Yes |
| Installation Charge | $0-$99 | $60 | - $100 on a 1yr. Service Agreement.<br>- $0 on a 2yr. Service Agreement | $495.00 |
| Modem Price | $0 | $299 (could be less depending on special promotions) | $225 (Could be less depending on special promotions. Customer must go to a special website for the rebate offer.) | Purchased, but included in installation charge. |
| NIC Card | $49 | Purchased, but included in modem price. | Purchased, but included in modem price. | Purchased, but included in installation charge. |
| Internet Service Provider | Yes | Yes | Yes | Yes |
| Notes: | | Customer can sign either a month-to month or a 1yr. Contract. If the customer signs a month-to-month, they pay $15/mo. extra, as well as a $340 set-up fee. | Customer must sign a 1 or 2 yr contract. If the contract is terminated by the customer, the customer is liable for paying the remaining moths payments to the end of the contract. | Customer must sign a 1yr contract. If the contract is terminated by the customer, the customer must pay 50% fo the remainder of the contract). |

## CERTIFICATE OF SERVICE

I, Margaret D. Davis, hereby certify that an original and four copies of the foregoing documents were hand-served on this 20 day of March, 2000 upon Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Room TW B-204, Washington, D.C. 20554 and that additional copies were served on John W. Berresford, Senior Antitrust Attorney, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 6A-165, Washington, D.C. 20554.



Margaret D. Davis

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